

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 8/6/2014

GAIN Report Number: E14041

EU-28

Post: Brussels USEU

EU Focuses on Food Waste

Report Categories:Agricultural Situation

Approved By:
Karisha Kuypers
Prepared By:
Stephen Morgan

Report Highlights:

Declaring 2014 to be the "European Year against Food Waste," EU Institutions have been active in promoting best practices in food labeling, food assistance, and consumer education to reduce the large portion of edible products that goes uneaten annually. This report provides an overview of current EU food waste initiatives in anticipation of the European Commission's Communication on Sustainable Food.

Introduction

How can we avoid food waste? This question reflects a new challenge for the agriculture sector resulting from a growing concern that a large portion of edible products is being discarded. As consumers are increasingly interested in the origin and sustainability of their food supply, reducing high levels of food waste is also becoming an important policy issue. Declaring 2014 to be the "European Year against Food Waste," the European Parliament (EP) has been especially active in voicing the need to combat food waste. In a report on food waste, the EP calls on the Commission, EU Member States and stakeholders to help reduce the amount of food that is wasted annually by promoting best practices in areas such as food labeling, consumer education, food assistance and packaging.

Policymakers are facing a huge challenge in their efforts to reduce food waste within the EU. Researchers estimate that 196 billion pounds of food goes uneaten each year. If no action is taken, this figure could rise by as much as 40% by 2020. These losses represent approximately one-third of the total food available for consumption. The goal of this report is to define the scope of the food waste problem and to explore the policies being promoted by both the EU and private industry to reduce levels of food waste.

Defining Food Waste

While there is no universal definition for food waste, the EU has an evolving history with the use of the term. First referenced in Directive 75/442/EEC, waste is broadly defined as "any substance or object which the holder disposes of or is required to dispose of" pursuant to national law. Although this general definition was eventually revised and replaced (see 91/156/EEC and 2006/12/EC respectively), the annexes defining specific types of waste did not include a specific provision for food. This gap was partially bridged when Directive 2008/98/EC repealed previous waste legislation. The current directive defines bio-waste as any "biodegradable garden and park waste, food and kitchen waste from households, restaurants, caterers and retail premises and comparable waste from food processing plants." Here, the EU recognizes food waste as a specific type of "bio-waste" and suggests that food waste occurs in the final stages of the supply chain or the post-processing stage. Despite widespread attention, there remains no formal definition of food waste in EU law but the Commission has called for one in a July 2014 proposal (2014/0201) to amend the current waste directive.

In the U.S., the U.S. Department of Agriculture (USDA) has identified two key concepts that merit discussion: food loss and food waste. *Food loss* is defined as the amount of edible food, postharvest, that is available for human consumption but is not used for any reason. Food loss is a broad term which encompasses losses due to a myriad of causes such as the mishandling of food shipments, poor moisture control, mold, bacteria, plate waste, etc. These losses can occur at any point along the supply chain, including after the final point of purchase by the end consumer. *Food waste* is a specific type of food loss. Waste occurs when edible food goes uneaten because it is discarded by retailers (blemishes, past the 'best before' date, etc.) or when consumers discard edible food for whatever reason. This conceptualization of food waste focuses more on losses occurring at the retail and household level of the agri-food chain.

_

¹ In the U.S., the USDA estimates that in 2010, 133 billion pounds of food worth \$161.6 billion was discarded as waste.

The United Nations Food and Agriculture Organization (FAO) also generated widely-used guidance to define more formally food waste in the supply chain. Drawing upon the common definitions used in the academic literature, the <u>FAO agrees</u> that food loss is the "decrease in food quantity or quality which makes it unfit for human consumption" that can take place at the production, postharvest, and processing stage of the supply chain (<u>Parfitt et al. 2010</u>). Food waste refers to food losses that occur at the retail and final consumption end of the food chain that are a result of human behavior (<u>Parfitt et al. 2010</u>).

Why Fix Food Waste?

One point that many governments and organizations can agree on is that current levels of food waste are unacceptable. While the benefits of reducing food waste are straightforward, they are best understood in the context of global sustainability goals for the agricultural sector.

Economic Sustainability: Reducing food waste has the potential to lower food prices globally, making the food we do consume more affordable for all. By reducing the demand for food – the food that is wasted – markets would adjust to a lower price point, *ceteris paribus*. In addition to the macroeconomic consequences, direct economic costs are also a consideration. Reducing food waste would lower costs for waste disposal incurred by consumers and retails, costs for diverting inedible food to other uses (i.e. composting, animal feed), and costs of shipping and storing the surplus along the supply chain.

Environmental Sustainability: Reducing the unconsumed surplus of food could also reduce the environmental externalities generated by the food supply chain. Reduced production means reduced opportunities for runoff, reduced pollution from the operation of agricultural machinery, and reduced use of chemicals which, when used irresponsibly, can have negative effects on the environment. Cutting food waste would also directly reduce the waste of all of the resources that go into the production process including land, water, oil, and agricultural chemicals.

Human Sustainability: As developed states increase efforts to promote global food security, there is also a critical moral component to reducing food waste. First, the calories that go uneaten as food waste could have instead been used to feed populations where food is scarce. While this would require investment in new distribution mechanisms, it does suggest that we could reallocate current agricultural resources and supply channels to reduce food waste. Second, reducing food waste now will only increase the capacity of the agricultural sector to meet the future food demands of ever increasing global populations.

EU Programs Addressing Food Waste

As identified in the <u>Roadmap to a Resource Efficient Europe</u>, EU institutions are committed to promoting resource efficiency in the food value chain. This includes the pursuit of initiatives with the goal of halving food waste totals by 2020. In the sections below, the separate initiatives being pursued by EU institutions are highlighted.

Food Labeling

At the May 2014 Agriculture and Fisheries Council meeting, the Netherlands and Sweden jointly presented a <u>note</u> urging the EU to review "best before" labeling requirements which do not accurately reflect the true expiration date of a product. Instead, these labels represent a manufacturer's estimate of the period over which a product's quality is highest. The Commission has proposed to further discuss these terminology issues and consider moving towards a better indicator of product expiration. Another potential effort is to expand the list of products which are exempt from date marking. At present, a variety of products including wine, cooking salt and confectionary sugar are exempt from these labeling requirements. Both the Netherlands and Sweden argue that as long as product packaging is not damaged and proper storage conditions have been respected, that products should not be discarded. This note was supported by Austria, Denmark, Germany, and Luxembourg.

As a result of this meeting, the Commission has committed to include a strategic framework for limiting food waste in its upcoming Communication on Sustainable Food. Originally scheduled to be presented in late 2013 and then delayed until July 2014, the Communication is still forthcoming. When presented, this Communication will provide a strategic framework for reducing food waste and provide for the creation of a committee to examine what further actions can be taken at the EU level. At present, the Commission has included food labeling in its consumer education campaign in an effort to clarify "best before" and "use by" labels in all EU languages.

Food Donations

Another area of major interest for the Commission and various EU stakeholders is in the donation of edible food before it becomes waste. This will require further analysis for two primary reasons. First, the EU VAT Directive (2006/112/EC) indicates that VAT must be paid on all food intended for donation and that this tax incidence is pro-rated for the price and condition of the food when donated. While some Member States (MS) interpret food close to the "best before" date as having zero value, this is not consistent across the EU. The VAT Committee has drafted new guidelines to harmonize the implementation of this directive and ensure that food can be donated with a minimal tax burden. Second, the recipients of donated food would have to comply with the EU Food Hygiene Legislation (852/2004/EC) which also may be difficult in light of food labeling requirements. For this reason, the Commission is considering the development of EU Food Donation Guidelines to establish best practices for this process.

Recycling Food into Feed

The decision to discard food that can no longer be sold to the final consumer precludes the possibility to redirect these resources into other uses – namely animal feed. At the most recent meeting of the Advisory Group on the Food Chain and Animal and Plant Health, DG SANCO presented several efforts being considered to maximize resource efficiency in the food chain. One suggestion is to establish a mechanism through which retailers and distributors could recycle specific foodstuffs to be discarded (broken crackers/cookies, stale breads, etc.) as a resource to be included in animal feed. This process would then reduce levels of food waste and contribute to a more sustainable agri-food chain.

Monitoring Food Waste

The Commission is also supporting the <u>EU FUSIONS</u> (Food Use for Social Innovation by Optimizing Waste Prevention Strategies) project. Running from August 2012 through July 2016, this project is funded through the European Commission Framework Program 7. Bringing together 21 partners in 12 MS, FUSIONS is compiling a comprehensive database of national legislation and policy directives that address the issue of food waste. The organization hopes to establish a common definition for food waste and develop a standard methodology for monitoring waste levels across the 28 MS. Beginning in 2014, the organization will also work on further estimating EU levels of food waste and putting together a "Food Waste Quantification Manual" to aid policy practitioners. ^{2[2]}

Public Consultation & Education

The Commission has also recently engaged in public consultation on the general topic of how the EU can move towards a more resource-efficient and sustainable food system. One of the items included in this consultation is the reduction of food waste and losses. According to the Commission, over 600 responses were received from 80 associations, 60 NGOs, and 350 citizens. The results from this consultation will be published in the near future. In further anticipation of the Communication on Sustainable Food, there has been an extended effort to educate consumers about how to reduce food waste. These efforts have included the creation of educational videos, consumer tips to reduce food waste, and links to private companies and NGOs who are working on innovative solutions and best practices to reducing food waste.

Moving forward

Food waste is attracting increased attention from policy makers and the media as it has become one of the largest economic issues facing agriculture today. In the EU, the 196 billion pounds of food wasted each year translates into \$238 billion dollars lost as retailers and consumers toss edible food into the trash. As current EU efforts have shown, these losses can be reduced through practical changes to current food labeling requirements, the streamlining of food donation mechanisms, and through public-private partnerships that will both educate consumers and foster innovative solutions to the problem of food waste.

Further References

- 1. European Commission food waste website
- 2. EU FUSIONS project

² For the full report from May 8, 2014 Advisory Group meetings please refer to : http://ec.europa.eu/dgs/health_consumer/dgs_consultations/docs/summary_20140508_co02_en.pdf